

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities
Date of Meeting: April 7, 2006
Time of Meeting: 8:15 a.m.
Place of Meeting: Art Pick Council Chamber, City Hall
3900 Main Street (at Tenth & Main Streets)
Riverside, California

TRUJILLO WATER COMPANY SHAREHOLDERS ANNUAL MEETING

Vice President Jim Anderson, of the Trujillo Water Company called the annual meeting of the Trujillo Water Company Shareholders to order at 8 a.m. The meeting adjourned at 8:04 to the Trujillo Water Company Directors Organizational meeting.

TRUJILLO WATER COMPANY DIRECTORS ORGANIZATIONAL MEETING

The Trujillo Water Company Directors Organizational meeting was called to order at 8:04 and adjourned at 8:07 a.m.

PLEDGE OF ALLEGIANCE WAS GIVEN TO THE FLAG

Roll Call

| | |
|-----------------------|----------------|
| Present: Jim Anderson | Joe Tavaglione |
| Bob Stockton | Ken Sutter |
| Dave Barnhart | Lalit Acharya |
| Mary Curtin | Robert Elliott |

Absent: Peter Hubbard (absence due to sickness)

Assistant City Manager Michael Beck attended this meeting.

PUBLIC UTILITIES BOARD COMMITTEE ASSIGNMENTS & CHAIRPERSONS

The Board of Public Utilities designated four members to each committee and designated the chairman for the Property, Electric, and Water Committees as a member of the Finance/Marketing Committee. The following were designated to each committee:

(A) Property Committee

Bob Stockton (Chair)
Joe Tavaglione
Ken Sutter
Robert Elliott

(B) Electric Committee

Peter Hubbard (Chair)
Lalit Acharya
Ken Sutter
Robert Elliott

(C) Water Committee

Dave Barnhart
Bob Stockton
Mary Curtin
Jim Anderson

} Chair to be appointed at the April 21st meeting

(D) Finance/Marketing Committee

Jim Anderson (Chair)
Bob Stockton – Chair of Property Committee
Peter Hubbard – Chair of Electric Committee
Chair of Water Committee to be determined

MINUTES

- (1) The regular meeting minutes from the Board of Public Utilities meeting held on March 17, 2006 was approved as submitted.

Motion – Curtin. Second – Acharya.

Ayes: Anderson, Barnhart, Tavaglione, Sutter, Stockton, Curtin, Elliott, and Acharya.

Noes: None

Abstain: None

Absent: Hubbard

CITIZENS PARTICIPATION

No comments were made.

COMMITTEE REPORTS

PROPERTY COMMITTEE REPORT

The Board of Public Utilities accepted and filed the March 3, 2006, Property Committee minutes.

WATER COMMITTEE REPORT

The Board of Public Utilities accepted and filed the March 17, 2006, Water Committee minutes.

FINANCE/MARKETING COMMITTEE REPORT – The Finance/Marketing Committee meeting scheduled on March 24, 2006 was cancelled.

EXPLANATION OF CAPITAL EXPENDITURE WORK ORDER PROCESS

Public Utilities Deputy Director Steve Badgett explained the capital expenditure work order process to the Board of Public Utilities for items usually included on the Consent

Calendar.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar with the exception of Item 7, **INSTALLATION AND RELOCATION OF STREETLIGHTS ON ALESSANDRO BOULEVARD FROM ARLINGTON AVENUE TO TRAUTWEIN – WORK ORDER 060115-19**, Item 8, **12 kV UNDERGROUND LINE EXTENSION – CIRCUIT 1547 – WORK ORDER 060127-03**, Item 9, **12 kV UNDERGROUND LINE EXTENSION – 1325 SPRUCE STREET – WORK ORDER 0602503**, which were moved to the Discussion Calendar:

Motion – Curtin. Second – Tavaglione.

Ayes: Anderson, Barnhart, Tavaglione, Sutter, Stockton, Curtin, Elliott, and Acharya.

Noes: None

Abstain: Stockton (excused himself ONLY on Item 11)

Absent: Hubbard

ELECTRIC ITEMS

- (2) **12 kV UNDERGROUND LINE EXTENSION – TRACT NO. 31360
WORK ORDER 644087**

The Board of Public Utilities approved the estimated capital expenditure of \$250,000 to install underground primary line extensions to serve 11 Single Family Residences (Tract No. 31360) located at Krameria Avenue, easterly of Taft Road.

- (3) **12 kV UNDERGROUND LINE EXTENSION – 2295 EASTRIDGE AVENUE
WORK ORDER 050005-65**

The Board of Public Utilities approved the estimated capital expenditure of \$200,000 to install underground primary line extensions to serve three commercial buildings located at 2295 Eastridge Avenue.

- (4) **12 kV UNDERGROUND LINE EXTENSION – TRACT NO. 32046
WORK ORDER 050024-07**

The Board of Public Utilities approved the estimated capital expenditure of \$85,000 to install underground primary line extensions to serve 55 Single Family Residences (Tract No. 32046) located at Dewey Avenue between Streeter and Palm Avenues.

- (5) **12 kV UNDERGROUND LINE EXTENSION – TRACT NO. 32665
WORK ORDER 0500897**

The Board of Public Utilities approved the estimated capital expenditure of \$69,665 to install underground primary line extensions to serve 10 Single Family

Residences (Tract No. 32665) located at Red Poppy Lane and Coyote Bush.

(6) 12 kV UNDERGROUND LINE EXTENSION – 6711 & 6721 SYCAMORE CANYON
WORK ORDER 060113-71

The Board of Public Utilities approved the estimated capital expenditure of \$250,000 to install underground primary line extensions to serve two commercial Buildings located at 6711 and 6721 Sycamore Canyon, southerly of Eastridge and northerly of Cottonwood.

(7) **MOVED TO DISCUSSION**

(8) **MOVED TO DISCUSSION**

(9) **MOVED TO DISCUSSION**

WATER ITEMS

OTHER ITEMS

(10) INTEREST RATE ON CUSTOMER DEPOSITS

The Board of Public Utilities approved the increase of the annual interest rate applied to customer deposits from the current 0.50 percent to 1.0 percent, beginning with the deposits held during the month of April 2006.

(11) RIVERSIDE GOLF CLUB LEASE AMENDMENT, REAL PROPERTY EXCHANGE,
AND SALE OF REAL PROPERTY BY PUBLIC UTILITIES WATER FUND TO
PUBLIC UTILITIES ELECTRIC FUND

The Board of Public Utilities approved and recommended that the City Council:

1. Approve the Second Amendment to Restated Lease of January 29, 1997 between Howsmith Corporation (dba "Riverside Golf Club") and the City of Riverside, California;
2. Approve exchange of the two parcels described below between the Public Utilities Department Water Fund and the Fire Department;
3. Approve the sale of the exchange parcel acquired by Public Utilities' Water Fund to Public Utilities' Electric Fund; and
4. Approve the capital expenditure of \$192,000 by the Electric Fund to the Water Fund for the purchase of 1.02 acres of land adjacent to La Colina Substation.

Motion – Curtin. Second – Tavaglione.

Ayes: Anderson, Barnhart, Tavaglione, Sutter, Curtin, Elliott, and Acharya.

Noes: None

Abstain: Stockton (excused himself ONLY on Item 11)

Absent: Hubbard

DISCUSSION CALENDAR

(7) INSTALLATION AND RELOCATION OF STREETLIGHTS ON ALESSANDRO BOULEVARD FROM ARLINGTON AVENUE TO TRAUTWEIN WORK ORDER 060115-19

Board Member Robert Elliott requested this item be placed on the Discussion Calendar for more information concerning when the project would begin and be completed. Deputy Director Badgett informed the Board that this is a Public Works' project and Public Utilities adapts to their scheduling. Per Assistant City Manager Beck the project is set to begin in May and is in conjunction with the construction of the Perris Valley Feeder Line.

Following discussion, the Board of Public Utilities approved the estimated capital expenditure of \$173,000 to install streetlights on Alessandro Boulevard from Arlington Avenue to Trautwein for Public Works street improvement.

Motion – Sutter. Second – Tavaglione.

Ayes: Anderson, Barnhart, Tavaglione, Sutter, Stockton, Curtin, Elliott, and Acharya.

Noes: None

Abstain: None

Absent: Hubbard

(8) 12 kV UNDERGROUND LINE EXTENSION – CIRCUIT 1547 WORK ORDER 060127-03

Board Member Dave Barnhart requested this item to be placed on the Discussion Calendar for more clarity of the boundaries of this undergrounding extension and if this extension is for future undergrounding. Mr. Barnhart requested that staff be sure to contact the County to ensure maximum undergrounding support or to possibly form a future underground district.

Following discussion, the Board of Public Utilities approved the estimated capital expenditure of \$800,000 to install underground primary line extensions to serve newly annexed areas of Riverside along Van Buren Boulevard between Wood Road and Dauchy Avenue.

Motion – Barnhart. Second – Tavaglione.

Ayes: Anderson, Barnhart, Tavaglione, Sutter, Stockton, Curtin, Elliott, and Acharya.

Noes: None

Abstain: None

Absent: Hubbard

(9) 12 kV UNDERGROUND LINE EXTENSION – 1325 SPRUCE STREET
WORK ORDER 0602503

Board Member Barnhart requested this item be placed on the Discussion Calendar for more clarity regarding reimbursement by developer or if Public Utilities is paying the developer? Deputy Director Badgett replied that Public Utilities will be reimbursing the developer only for additional facilities requested by the utilities.

Following discussion, the Board of Public Utilities approved the estimated capital expenditure of \$100,000 to install underground primary line extensions to a new five-story office building located at 1325 Spruce Street, near Iowa Avenue.

Motion – Barnhart. Second – Tavaglione.

Ayes: Anderson, Barnhart, Tavaglione, Sutter, Stockton, Curtin, Elliott, and Acharya.

Noes: None

Abstain: None

Absent: Hubbard

(12) PUBLIC UTILITIES ELECTRIC RESOURCE ADEQUACY PROGRAM

Assistant Director/Resources Gary Nolff reported that resource adequacy refers to a utility's procurement of power supply resources (i.e., capacity and energy) to adequately serve its projected electric requirements, plus an additional amount to be held in reserve. Mr. Nolff explained other elements of the Electric Resource Adequacy Program.

General Manager Dave Wright stated that the first report would be presented to the Electric Committee and then a decision would be made to determine if it should be shared at the Committee on a monthly basis.

Following discussion, the Board of Public Utilities approved and recommended that the City Council adopt by resolution the attached Resource Adequacy Program.

Motion – Stockton. Second – Sutter.

Ayes: Anderson, Barnhart, Tavaglione, Sutter, Stockton, Curtin, Elliott, and Acharya.

Noes: None

Abstain: None

Absent: Hubbard

(13) RKS SURVEY RESULTS PRESENTATION

In an effort to assure our services are meeting customer needs, RPU, through a partnership established with the California Municipal Utilities Association (CMUA), began working with RKS Inc., an independent survey consultant, in 1995. RPU participated in two surveys in the summer of 2005. RPU provided a complete list of business customers to RKS for statewide and territory specific surveys. The results from the statewide survey illustrated customer satisfaction levels for municipal and investor owned utilities. These results provided a baseline to compare the survey results gathered from the RPU territory specific surveys.

Following discussion, the Board of Public Utilities received and filed this presentation.

Board Member Lalit Acharya left the meeting at this time.

(14) ADJUSTMENTS TO THE PREVIOUSLY APPROVED FISCAL YEAR 2006/07 BUDGET

Following discussion, the Board of Public Utilities approved and recommended that the City Council approve adjustments to the previously adopted fiscal year 2006/07 budget, with the offset to Public Utilities Riverside (PUR) fund balance, as follows:

1. A net increase of \$19,004,180 to various PUR expenditure accounts to be provided by staff;
2. A net increase of \$10,940,000 to various PUR revenue accounts to be provided by staff;
3. An additional five full-time positions to be included in the PUR personnel budget for ongoing operations; and
4. An additional eight full-time positions to begin the phase-in of the S.A.F.E. Water Plan.

Motion – Barnhart. Second – Stockton.

Ayes: Anderson, Barnhart, Tavaglione, Sutter, Stockton, Curtin, and Elliott

Noes: None

Abstain: None

Absent: Hubbard
Acharya (left the meeting at 9:00 a.m.)

Assistant City Manager Michael Beck left the meeting at this time.

(15) APPROVAL OF A PROGRAM TO ASSIST LOW INCOME ELDERLY AND DISABLED WATER CUSTOMERS AND TO CREATE AN EFFECTIVE QUALIFICATION PROCESS

Chair Jim Anderson requested staff to possibly send a letter regarding this new program to assist low income elderly and disabled water customers to the individual who spoke at the Public Hearing on March 2, 2006, that has had trouble contacting the SHARE program.

Following discussion, the Board of Public Utilities approved and recommended that the City Council:

1. Approve the establishment of a Water Rate Assistance Program to assist qualified low income elderly and disabled water customers; and
2. Incorporate the application and qualification process into procedures utilized by low income customers for the Utility User Tax (UUT) and Street Light Assessment District (SLAD) fee refund programs currently administered by the City of Riverside.

Motion – Tavaglione. Second – Curtin.

Ayes: Anderson, Barnhart, Tavaglione, Sutter, Stockton, Curtin, and Elliott

Noes: None

Abstain: None

Absent: Hubbard
Acharya (left the meeting at 9:00 a.m.)

(16) ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS REQUESTED BY A MEMBER OF THE BOARD OF PUBLIC UTILITIES

Chair Jim Anderson requested that a report be placed on a future Board agenda regarding Reserves held by the following entities (how much each put away in reserves compared to their total budget): City of Riverside, Western Municipal Water District, San Bernardino Water District, and Eastern Municipal Water District.

Chair Jim Anderson also requested that the Water Rate Increase letter that he distributed to the City Council on March 28, 2006 be distributed to all the Public Utilities Board Members at the next Board meeting.

DIRECTOR'S REPORT

- (A) State and Federal Legislative Update
- (B) Monthly Power Supply Report — February 2006
- (C) Financial Statements – February 2006
- (D) Rolling Calendar Outlining Future Utility Projects as of March 31, 2006
- (E) City Council Agenda – March 21, 2006, March 28, 2006 and April 4, 2006

SYSTEMATIC REPORTING ON CONFERENCES/SEMINARS

UPCOMING MEETING

Chair Jim Anderson adjourned the meeting at 9:51 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, April 21, 2006**, at **8:15 a.m.** in the Art Pick Council Chamber at City Hall located at 3900 Main Street in Riverside, California.

By: _____
David H. Wright, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: April 21, 2006